

GROWTH RATE IN THE NUMBER OF EMPLOYEES WITHIN MULTINATIONALS

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Abstract: *From the definition of management, there can be made a distinction, within the organization, between those who lead – the managers and those who execute – the workers. All the literature shows that there is great importance given on the fifth operative function of management – the personnel function. Therefore, attention should be paid to the human component in order to gain a strong position in the market. However, the rate of increase in the number of employees in multinationals is not large.*

Key words: *employees, managers, rate, growth, multinationals.*

INTRODUCTION

In Anglo-Saxon literature, *management* designates both a practice, a component of the social division of labor, as well as a scientific discipline, part of the social sciences sphere. Management is essentially the coordination of an organization's resources to achieve predetermined objectives. In fact, the term *management* has its origins in the Latin *manus* (= hand) and it is a noun derive from the verb “handle” (in Italian *maneggiare* in English *to manage*), that is *to maneuver* with some skill and, by extension, to run an organization to coordinate human groups. The Romanian equivalent best suited for this meaning is the notion of leadership or the phrase *scientific management*.

Management is an “art” (cf. Engl. *art*), which is a practice done by people who have a certain skill, experience or skill to coordinate the work of others. Moreover, in Anglo-Saxon literature, in order to designate ruling staff the same term, *management*, is used or the phrase *staff management*. This enables the distinction, within the organization, between those who lead – the managers and those who execute – the workers.

By *management*, it is defined the discipline that studies the practice of management and seeks to discover the rules and techniques for increasing the efficiency of human action within the organization (Filip R., 2006, page 1). In the mean time, the discipline called *management of human resources* has developed.

According to the economic dictionary the term *management* defines the science that ensures the management of all processes within the business units and other activity sectors, with the main focus on the man, his motivated participation entailing the solving of problems in a provisional plan, organizational regarding the coordination, decision-making and controlling the evolution of the various processes and activities (Crețu D., David N., 2001, page 148). The 5 functions which include the management processes are: planning, organizing, coordinating, training, controlling- evaluating (Nica P., Iftimescu A., 2008, page 13-17). It is considered that any company meets at least five operational functions:

1. Production function;
2. Research and development function;
3. Trading function;
4. The financial accounting function and
5. Personnel function (Pîrvu F., Stănescu A., Lungu A., 2011, page 28-124).

Human resource management is a topic on the edge of which there was written far too much literature and there has been done much research, but the increasingly pronounced international dimension of human resources is taken less into account. Most companies

begin their work internally. Their operations are confined to national borders and serve only national markets and their customers. A saturated internal market and an intense local competition represent nevertheless, the reasons why companies start looking for outlets in foreign markets. For this purpose, they open there their commercial offices, branches, subsidiaries. As they perpetrate deeper in these markets, companies thrive, grow and get increasingly involved with the institutions and the citizens of their host country.

To some extent, given that these companies must take into account the economic programs and policies of the host country, it can be said that there is an integration of foreign firms in host countries' economic structures. Such integration requires an adaptation stage towards the differences that arise between the company culture and the host environment. For this reason, recruitment, training and personnel compensation policies must be adapted to each country in which the company wants to expand its business. For example, some cultures emphasize the individual and his performance and promotion is achieved exclusively on this basis, while in collectivist cultures where the emphasis is on the group, the promoting of an individual group to a position that could remove him out of this group can be regarded by him as a punishment.

Gaining a strong position in a market is a vital objective for most companies perpetrating that market. One of the essential conditions to achieve this objective is the personnel policy and the first step in this policy is the recruitment and selection of managers. Their quality is an important factor that can lead to success or failure of the operation in a foreign market.

An international company has the opportunity to select from wide range applicants. The first step of this process is the recruitment of their size number of methods used for recruiting effort are determined by planning staffing needs and job requirements. This implies a clear and comprehensive definition of the post, previously accomplished by what is called job analysis (Filip R., Popa I., 1999, page 195-196).

MATERIALS AND METHODS

From a practical standpoint there is an employee selection and a selection of managers within the multinationals.

In the selection process of the future managers, when criteria were established in order to make a decision, companies generally use two methods: test and interview methods.

The purpose of these adaptability evaluations is the candidates' awareness regarding the different types of stress and crises that may occur for transfers abroad and prevent failure abroad. On the other hand, as a result, the interviewer may decide to not make the transfer, although the candidate accepts the risks. Once the recruitment is done, the selection process begins.

In the past, taking into account that managers' selection was made only from among those in the mother country, and the companies had a policy exclusively ethnocentric, the selection criteria were the same as for an internal manager. Certainly, all the qualities of a good local manager must be found at the international manager.

International specificity requires yet some additional attributes in the success of a mission abroad. The lack of these attributes has led to a large number of failures.

International literature indicates that these failures are a persistent problem. In a study conducted on the subject, R. Tung researched a number of multinational companies in the U.S., Japan and Europe (Filip R., Popa I., 1999, page 198).

Research results can be seen in Table 1.

Table 1

Failure rate of expatriated managers

Failure rate %	% of the no. of companies
American companies	
20-40	7
10-20	69
< 10	24
European companies	
11-15	3
6-10	38
< 5	59
Japanese companies	
11-19	14
6-10	10
< 5	76

Source: Philip R., Popa I.1999. International Management, Economica Publishing House, Bucharest, pag.198

Another study conducted by Great Place to Work (GPW) has chosen the best multinational who participated in the competition Best Workplaces in the range from 2012 to 2013. More than 1,000 multinational corporations GPW participated in the study. Only 25 of them were analyzed. A selection was made out of data from eight multinationals, only in terms of the increasing rate in the number of employees, as presented in Table 2.

Table 2

Increasing rate in the no. of employees of certain multinationals

Multinational	Increasing rate of the no. of employees
1. Google SUA	17%
2. Microsoft SUA	4%
3. Marriott SUA	5%
4. American Express SUA	2%
5. Mars SUA	3%
6. McDonald's SUA	3%
7. The Coca-Cola Company SUA	0%
8. Novartis-Elveția	3%

Sursa: <http://www.manager.ro/articole/analize/top-25-cele-mai-bune-multinationale-pentru-angajati-in2013-52357.html>, 24.04.2014, at 14,58.

DISCUSSIONS AND PROPOSALS

Literature shows that research on human resource management is very rare. This, on the one hand, not knowing the need for such research, and on the other hand, that international research is more difficult to carry out than the national one.

Recruitment, training and personnel compensation policies must be adapted to each country in which the company or where activity expanded internationally. The data analysis shows that U.S. companies register higher percentages of managers' failures, these being on top. Also, the growth rate of the number of employees registered, for example, values of 17% for Google U.S. multinational, and for The Coca-Cola Company USA, the value of 0 %.

CONCLUSIONS

An objective selection process should result in choosing the best candidate, and for this selection to be as objective as possible, the selection criteria are very important. On the other hand, recruitment must consider only the selection of qualified candidates for the job, and perhaps the above percentages will increase in the number of employees within multinationals.

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